

Bell Atlantic Network Services, Inc.
1133 Twentieth Street, N.W.
Suite 800
Washington, DC 20036
202 392-1187

Gerald Asch
Director/FCC Relations

EX PARTE OR LATE FILED

March 26, 1997

RECEIVED

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street NW - Room 222
Washington, D.C. 20554

MAR 26 1997

Administrative Support Section
Office of Secretary

Re: Ex Parte Meeting
CC Docket No. 96-45, Federal-State Joint Board on
Universal Service

Dear Mr. Caton:

On March 25, 1997 Vin Callahan representing NYNEX and John Broten, Tom Moynihan, and the undersign representing Bell Atlantic met with Timothy Peterson, Bob Loube and Pat Degraha of the Federal Communications Commission regarding the above referenced docket.

We discussed NYNEX's and Bell Atlantic's concerns relating to Census Block Group based cost proxy models, specifically the BCPM and the Hatfield 3.1 models.

We also presented an alternative solution to the use of proxy models to determine the federal high cost fund support.

A copy of the handouts used to guide the above referenced discussions is attached.

The handouts were also provided today via U.S. Mail to the names on the attached Service list.

An original and a copy of this ex parte meeting notice are being filed in the office of the Secretary on March 26, 1997. Please include it in the public record of this proceeding.

Respectfully submitted,




Gerald Asch
Director - FCC Relations

Attachment

cc: Mr. T. Peterson	w/o attachments
Mr. B. Loube	" "
Mr. P. Degraha	" "

No. of Copies rec'd
List ABCDE



STATE 96-45 JOINT BOARD AND STAFF

Mr. Philip McClelland
PA Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Mr. Terry Monroe
NY Public Service Commission
3 Empire State Plaza
Albany, NY 1223

Mr. Lee Palagyi
Policy Consultant
Washington Utilities & Transp.
P.O. Box 47250
Olympia, WA 98504-7250

Mr. Barry Payne
Indiana Office of Consumer Counsel
100 North Senate Avenue,
Room N501
Indianapolis, IN 46204-2208

Mr. Brad Ramsay
Deputy Asst. General Counsel
NARUC
P.O. Box 684
Washington, DC 20044

Mr. Brian Roberts
Regulatory Analyst
California Public Utilities Comm.
505 Van Ness Avenue
San Francisco, CA 94102

Mr. Ken McClure
State Chair
Missouri Public Service Commission
301 W. High, P.O. Box 360
Jefferson City, MO 65102

Ms. Julia Johnson
Commissioner
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gerald Gunter Building
Tallahassee, FL 32399-0850

Ms. Sharon Nelson
Chairman
Washington Utilities &
Transportation Commisison
P.O. Box 47250
Olympia, WA 98504-7250

Ms. Laska Schoenfelder
Commissioner
SD Public Utilities Commission
State Capitol
500 East Capitol Street
Pierre, SD 57501-5070

Mr. Paul Pederson
State Staff Chair
Missouri Public Service Commission
301 W. High
P.O. Box 360
Jefferson City, MO 65101

Mr. Charles Bole
SD Public Utilities Commission
Sate Capitol
Pierre, SD 57501

Ms. Deonne Bruning
Nebraska Public Srv. Commission
300 The Atrium
1200 N Street, P.O. 94927
Lincoln, NE 68509-4927

Ms. Lori Kenyon
Alaska Public Utilities Commission
1016 West 6th Avenue,
Suite 400
Anchorage, AK 99501

Ms. Debra M. Kriete
PA Public Utiltity Commission
Room 110 North Office Building
P. O. Box 3265
Harrisburg, PA 17105

Mr. Mark Long
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

Mr. Rowland Curry
Chief Engineer
Public Utility Commission of Texas
7800 Shoal Creek Blvd.
Austin, TX 78757-1098

Ms. Sandra Makeeff
Iowa Utilities Board
Lucas State Office Bldg.
Des Moines, IA 50319

Ms. Martha Hogerty
Public Counsel
Missouri Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Concerns Regarding CBG Based Models:

BCPM and Hatfield Model 3.1

- Inconsistency of State Funding Levels
- Reliability for Accurately Determining Subsidy Levels
- Data Retrieval
- Assignment of CBGs

Hatfield Model 3.1
PRELIMINARY

*Comparison of Non-RBOC Company Results to All Non-RBOC Companies File For New Jersey and Massachusetts
Reliability of Fund Sizing*

State	Company	# HH	\$20 Benchmark	\$30 Benchmark	\$40 Benchmark	\$50 Benchmark
New Jersey						
	Superior	3,146	\$ -	\$ -	\$ -	\$ -
	United	93,211	\$ 3,517,786	\$ -	\$ -	\$ -
	Warwick	6,380	\$ 857,719	\$ 212,134	\$ -	\$ -
	Total	102,737	\$ 4,375,505	\$ 212,134	\$ -	\$ -
	Total Non-RBOC *	102,737	\$ 4,231,904	\$ -	\$ -	\$ -
	Difference	-	143,601	212,134	-	-
Massachusetts						
	Granby	4,607	\$ 425,848	\$ 63,554	\$ -	\$ -
	Richmond	658	\$ 153,343	\$ 74,383	\$ -	\$ -
	Taconic	755	\$ 275,448	\$ 184,848	\$ 94,248	\$ 3,648
	Total	6,020	\$ 854,639	\$ 322,785	\$ 94,248	\$ 3,648
	Total Non-RBOC *	6,020	\$ 857,296	\$ 260,246	\$ -	\$ -
	Difference	-	\$ (2,657)	\$ 62,539	\$ 94,248	\$ 3,648

* Results generated using the All Non-Rboc Companies file in the Hatfield Model 3.1

Cost Proxy Models

Funding Contrasts for RBOCs

Benchmark Cost Proxy Model and Hatfield Model 3.1

Benchmark Cost Proxy Model

Holding Co.	# Households	Total Lines	USF Funding at		
			\$20 Benchmark	\$30 Benchmark	\$40 Benchmark
Ameritech	11,006,959	19,032,798	\$1,629,417,860	\$658,083,612	\$325,705,669
Bell Atlantic	10,710,338	20,260,257	\$1,636,012,409	\$795,490,527	\$439,239,064
Bell South	13,053,701	19,461,859	\$3,201,557,358	\$1,817,438,453	\$1,094,687,679
NYNEX	9,506,724	17,472,293	\$1,208,490,478	\$580,364,454	\$320,891,352
Pacific Bell	8,370,311	15,890,319	\$1,024,313,386	\$382,461,129	\$214,655,873
Southwestern Bell	8,752,014	14,083,679	\$1,799,105,253	\$931,786,261	\$571,108,208
US West	9,304,677	15,055,112	\$1,961,784,454	\$1,071,719,811	\$709,253,038
RBOC Total	70,704,724	121,256,317	\$12,460,681,198	\$6,237,344,247	\$3,675,540,883
National Total	96,893,547	160,350,275	\$22,333,969,372	\$13,320,995,027	\$8,906,660,855

Based on NYNEX run of BCPM using the c. 2/20/97 distribution CD. Presents "capped values" when Single Business Lines are zeroed out. This table uses data produced using BCPM's "total" for individual holding companies. National total is based on BCPM's National Report option.

Hatfield Model 3.1

Holding Co.	# Households	Ttl # Lines	USF Funding at		
			\$20 Benchmark	\$30 Benchmark	\$40 Benchmark
Ameritech	12,322,298	18,702,606	\$202,660,675	\$47,715,871	\$5,663,067
Bell Atlantic	10,918,375	19,513,622	\$298,273,695	\$93,237,655	\$14,450,248
Bell South	15,331,063	20,825,447	\$837,974,325	\$317,276,340	\$63,051,841
NYNEX	10,366,283	16,975,327	\$268,489,478	\$75,097,859	\$99,891,965
Pacific Bell	11,751,467	15,771,244	\$175,408,552	\$86,501,229	\$46,138,274
Southwestern Bell	8,824,403	13,889,652	\$363,559,568	\$176,387,756	\$73,474,346
US West	10,668,209	14,544,410	\$528,317,098	\$311,543,816	\$191,297,516
RBOC Total	80,182,098	120,222,308	\$2,674,683,391	\$1,107,760,526	\$493,967,257
National Total	108,788,884	155,771,806	\$6,580,755,516	\$3,411,391,546	\$1,691,440,240

Based on NYNEX run of HM 3.1 using the c. 2/28/97 distribution CD. Numbers based on model's default values. This table was produced by combining data from HM 3.1's RBOC and "all Non-RBOCs" reports for each state. Note that the non-RBOC values produced (and used in calculating the National total) may be understated due to unreliable averaging method built into the model.

Cost Proxy Models

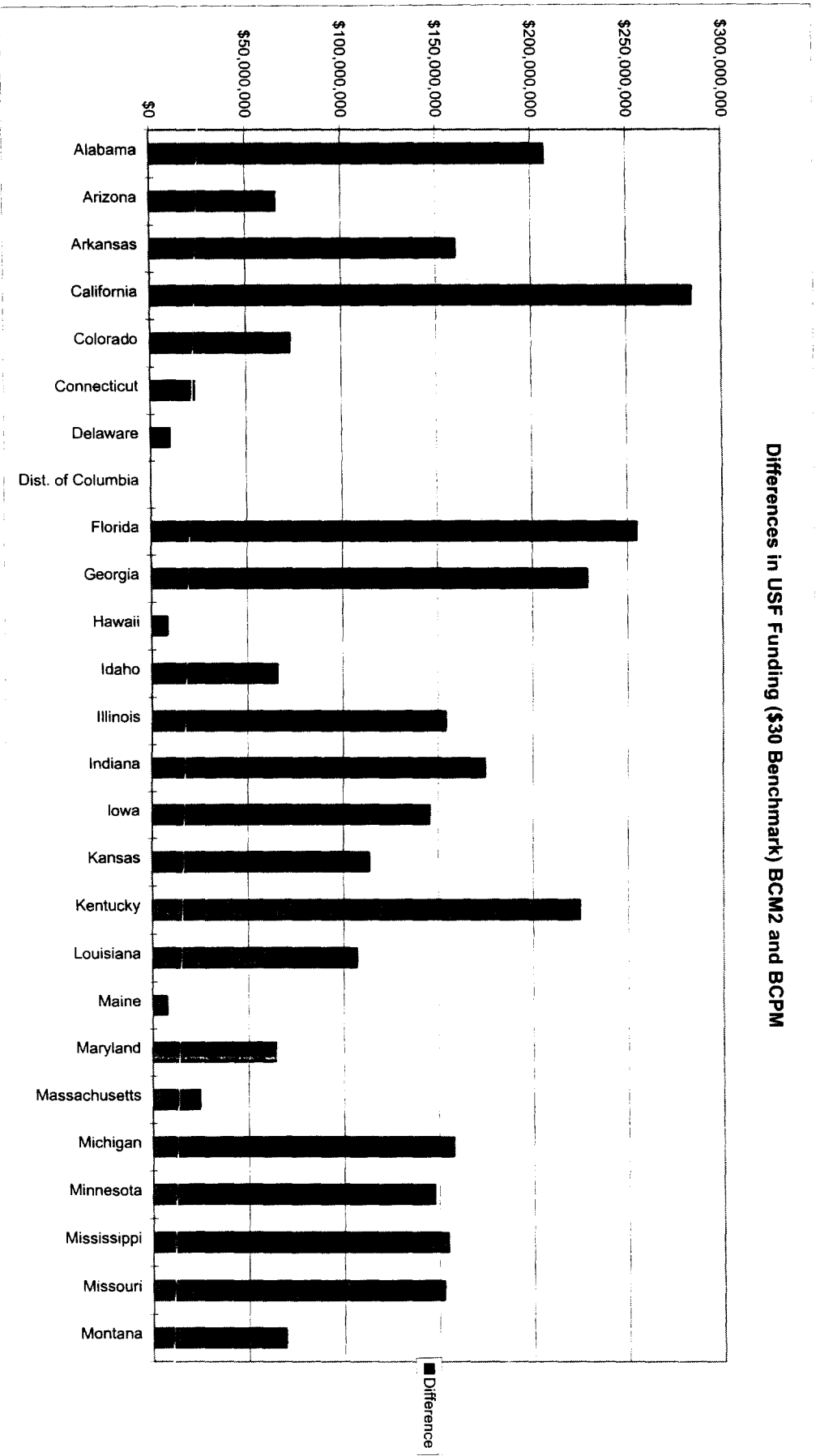
	BCM 2	BCPM	Difference
Source	NYNEX run using 7/3/96 CD (CBG Based)	NYNEX run of BCPM using 2/20/97 CD; SBL at 0	BCPM less BCM2 values
Alabama	\$198,586,366	\$405,703,827	\$207,117,461
Arizona	\$127,398,480	\$193,237,687	\$65,839,207
Arkansas	\$175,545,048	\$335,768,218	\$160,223,170
California	\$281,175,718	\$565,399,663	\$284,223,945
Colorado	\$111,807,061	\$184,815,919	\$73,008,858
Connecticut	\$69,892,866	\$92,697,819	\$22,804,953
Delaware	\$13,902,029	\$23,994,271	\$10,092,242
Dist. of Columbia	\$336,548	\$343,739	\$7,191
Florida	\$238,881,723	\$493,764,925	\$254,883,202
Georgia	\$225,231,849	\$453,983,494	\$228,751,645
Hawaii	\$22,693,933	\$30,778,263	\$8,084,330
Idaho	\$67,793,777	\$133,287,298	\$65,493,521
Illinois	\$228,954,103	\$382,869,488	\$153,915,385
Indiana	\$185,033,726	\$359,694,326	\$174,660,600
Iowa	\$155,772,480	\$301,155,874	\$145,383,394
Kansas	\$135,528,862	\$249,001,536	\$113,472,674
Kentucky	\$192,063,046	\$416,353,535	\$224,290,489
Louisiana	\$159,804,409	\$266,704,073	\$106,899,664
Maine	\$119,193,303	\$126,457,200	\$7,263,897
Maryland	\$57,231,201	\$121,276,866	\$64,045,665
Massachusetts	\$86,074,762	\$110,560,228	\$24,485,466
Michigan	\$273,337,093	\$430,827,147	\$157,490,054
Minnesota	\$192,788,470	\$340,206,700	\$147,418,230
Mississippi	\$157,913,413	\$312,433,284	\$154,519,871
Missouri	\$256,867,903	\$409,200,424	\$152,332,521
Montana	\$72,176,459	\$141,235,148	\$69,058,689

Comparison of USF Results BCM2 and BCPM (at \$30 Benchmark)

	BCM 2	BCPM	Difference
Source	NYNEX run using 7/3/96 CD (CBG Based)	NYNEX run of BCPM using 2/20/97 CD; SBL at 0	BCPM less BCM2 values
Nebraska	\$99,354,808	\$181,299,748	\$81,944,940
Nevada	\$47,574,909	\$65,069,916	\$17,495,007
New Hampshire	\$65,433,430	\$72,633,905	\$7,200,475
New Jersey	\$60,828,957	\$83,045,454	\$22,216,497
New Mexico	\$88,828,653	\$164,245,893	\$75,417,240
New York	\$307,393,881	\$437,929,362	\$130,535,481
North Carolina	\$282,980,489	\$544,853,661	\$261,873,172
North Dakota	\$70,790,466	\$110,572,689	\$39,782,223
Ohio	\$272,186,448	\$500,055,984	\$227,869,536
Oklahoma	\$159,072,619	\$318,106,545	\$159,033,926
Oregon	\$119,636,550	\$235,343,867	\$115,707,317
Pennsylvania	\$301,994,629	\$500,159,861	\$198,165,232
Rhode Island	\$15,697,611	\$18,584,881	\$2,887,270
South Carolina	\$152,970,761	\$291,175,316	\$138,204,555
South Dakota	\$69,560,353	\$132,408,445	\$62,848,092
Tennessee	\$214,160,056	\$394,508,713	\$180,348,657
Texas	\$464,135,186	\$938,023,351	\$473,888,165
Utah	\$47,672,301	\$80,873,500	\$33,201,199
Vermont	\$51,952,251	\$62,750,941	\$10,798,690
Virginia	\$188,054,197	\$377,438,310	\$189,384,113
Washington	\$131,123,353	\$268,977,326	\$137,853,973
West Virginia	\$145,859,607	\$267,775,705	\$121,916,098
Wisconsin	\$187,461,053	\$331,662,804	\$144,201,751
Wyoming	\$35,529,569	\$61,747,898	\$26,218,329
Total	\$7,386,236,766	\$13,320,995,027	\$5,934,758,261

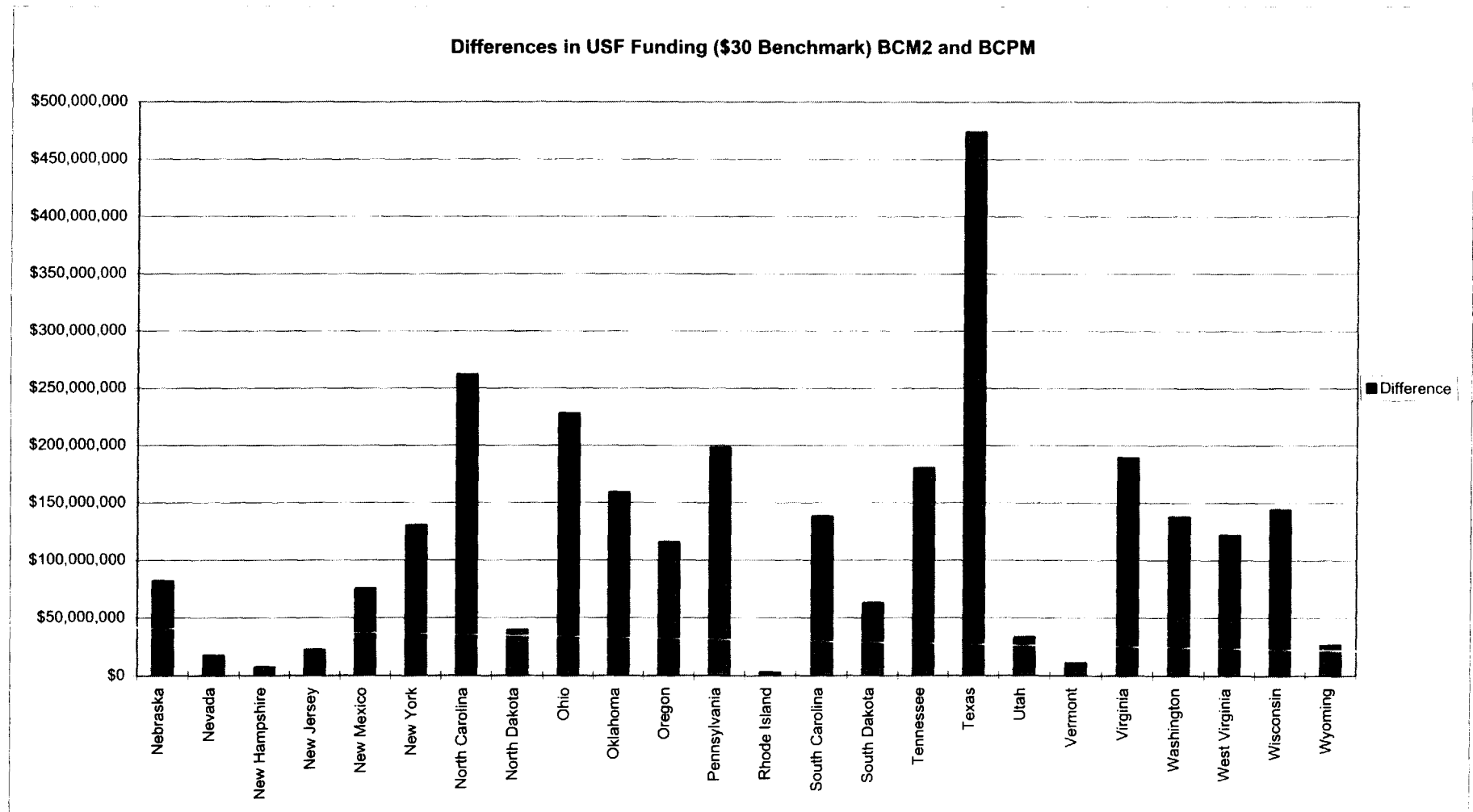
Cost Proxy Models

Comparison of USF Results BCM2 and BCPM (at \$30 Benchmark)



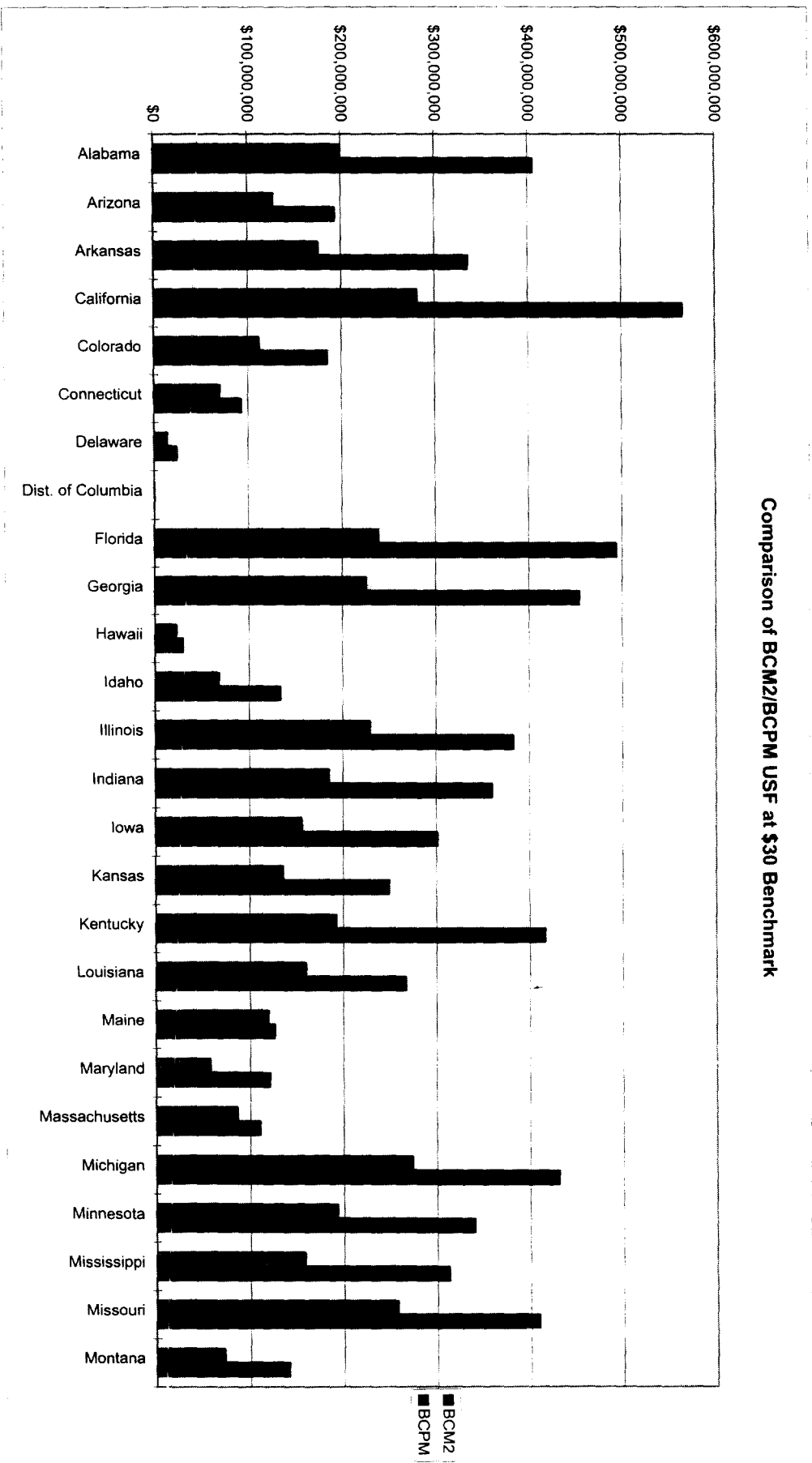
Cost Proxy Models

Comparison of USF Results BCM2 and BCPM (at \$30 Benchmark)



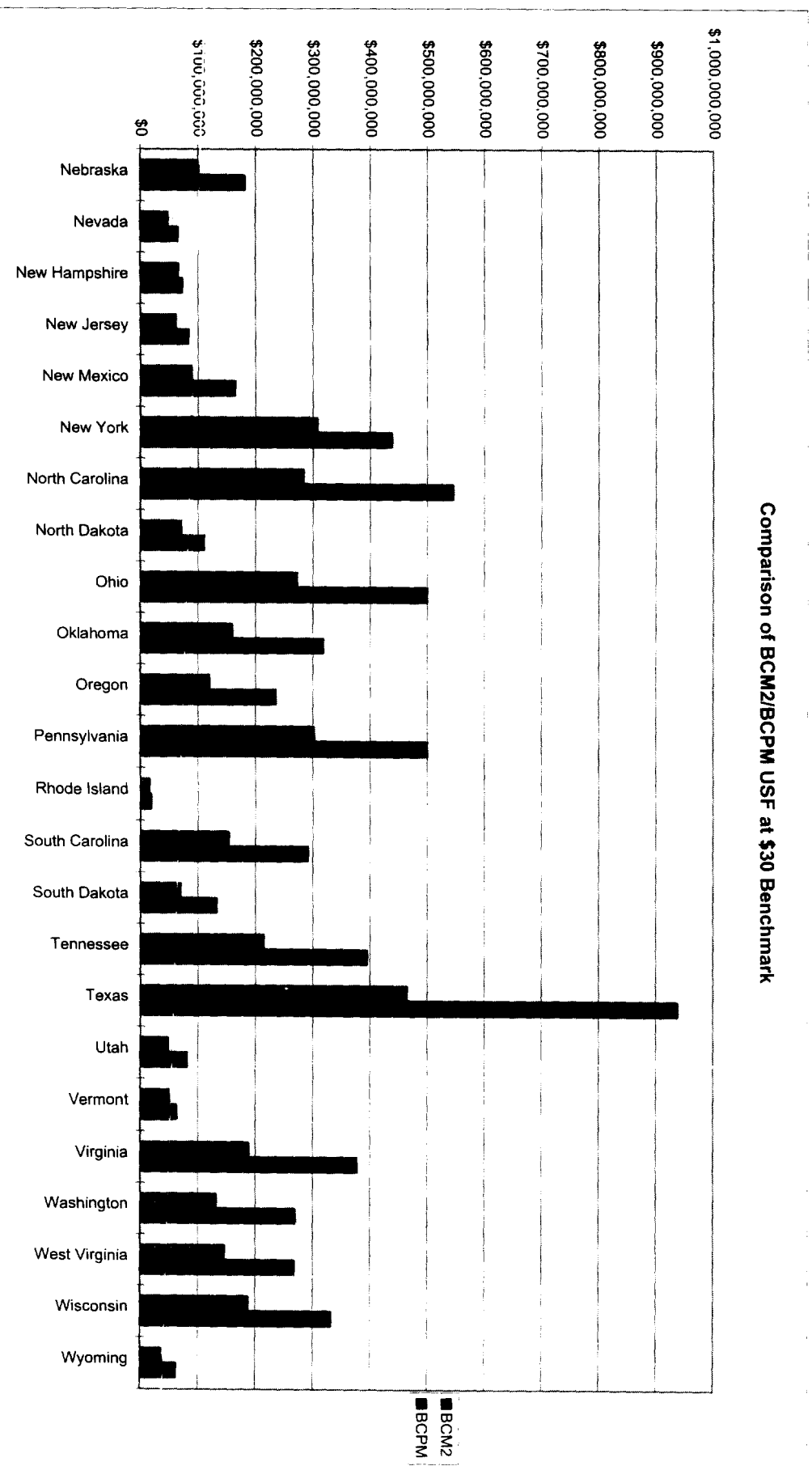
Cost Proxy Models

Comparison of USF Results BCM2 and BCPM (at \$30 Benchmark)



Cost Proxy Models

Comparison of USF Results BCM2 and BCPM (at \$30 Benchmark)



Cost Proxy Models

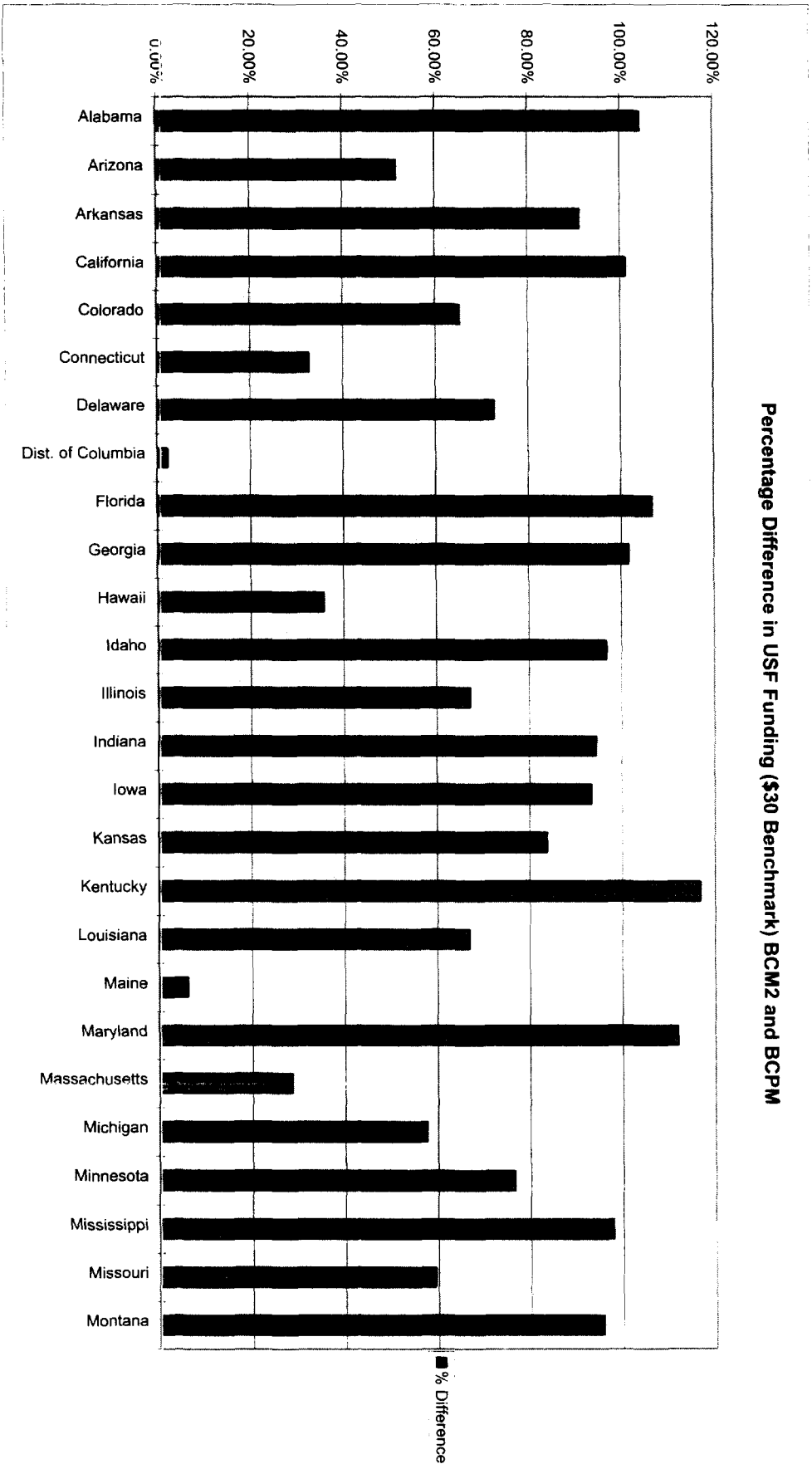
Source	BCM 2 NYNEX run using 7/3/96 CD (CBG based)	BCPM NYNEX run of BCPM using 2/20/97 CD; SBL at 0	% Difference (BCPM - BCM2) / (BCM2)
Alabama	\$198,586,366	\$405,703,827	104.30%
Arizona	\$127,398,480	\$193,237,687	51.68%
Arkansas	\$175,545,048	\$335,768,218	91.27%
California	\$281,175,718	\$565,399,663	101.08%
Colorado	\$111,807,061	\$184,815,919	65.30%
Connecticut	\$69,892,866	\$92,697,819	32.63%
Delaware	\$13,902,029	\$23,994,271	72.60%
Dist. of Columbia	\$336,548	\$343,739	2.14%
Florida	\$238,881,723	\$493,764,925	106.70%
Georgia	\$225,231,849	\$453,983,494	101.56%
Hawaii	\$22,693,933	\$30,778,263	35.62%
Idaho	\$67,793,777	\$133,287,298	96.61%
Illinois	\$228,954,103	\$382,869,488	67.23%
Indiana	\$185,033,726	\$359,694,326	94.39%
Iowa	\$155,772,480	\$301,155,874	93.33%
Kansas	\$135,528,862	\$249,001,536	83.73%
Kentucky	\$192,063,046	\$416,353,535	116.78%
Louisiana	\$159,804,409	\$266,704,073	66.89%
Maine	\$119,193,303	\$126,457,200	6.09%
Maryland	\$57,231,201	\$121,276,866	111.91%
Massachusetts	\$86,074,762	\$110,560,228	28.45%
Michigan	\$273,337,093	\$430,827,147	57.62%
Minnesota	\$192,788,470	\$340,206,700	76.47%
Mississippi	\$157,913,413	\$312,433,284	97.85%
Missouri	\$256,867,903	\$409,200,424	59.30%
Montana	\$72,176,459	\$141,235,148	95.68%

Percentage Difference between Models USF Funding Levels for different proxy models

Source	BCM 2 NYNEX run using 7/3/96 CD (CBG based)	BCPM NYNEX run of BCPM using 2/20/97 CD; SBL at 0	% Difference (BCPM - BCM2) / (BCM2)
Nebraska	\$99,354,808	\$181,299,748	82.48%
Nevada	\$47,574,909	\$65,069,916	36.77%
New Hampshire	\$65,433,430	\$72,633,905	11.00%
New Jersey	\$60,828,957	\$83,045,454	36.52%
New Mexico	\$88,828,653	\$164,245,893	84.90%
New York	\$307,393,881	\$437,929,362	42.47%
North Carolina	\$282,980,489	\$544,853,661	92.54%
North Dakota	\$70,790,466	\$110,572,689	56.20%
Ohio	\$272,186,448	\$500,055,984	83.72%
Oklahoma	\$159,072,619	\$318,106,545	99.98%
Oregon	\$119,636,550	\$235,343,867	96.72%
Pennsylvania	\$301,994,629	\$500,159,861	65.62%
Rhode Island	\$15,697,611	\$18,584,881	18.39%
South Carolina	\$152,970,761	\$291,175,316	90.35%
South Dakota	\$69,560,353	\$132,408,445	90.35%
Tennessee	\$214,160,056	\$394,508,713	84.21%
Texas	\$464,135,186	\$938,023,351	102.10%
Utah	\$47,672,301	\$80,873,500	69.64%
Vermont	\$51,952,251	\$62,750,941	20.79%
Virginia	\$188,054,197	\$377,438,310	100.71%
Washington	\$131,123,353	\$268,977,326	105.13%
West Virginia	\$145,859,607	\$267,775,705	83.58%
Wisconsin	\$187,461,053	\$331,662,804	76.92%
Wyoming	\$35,529,569	\$61,747,898	73.79%
Total	\$7,386,236,766	\$13,320,995,027	80.35%

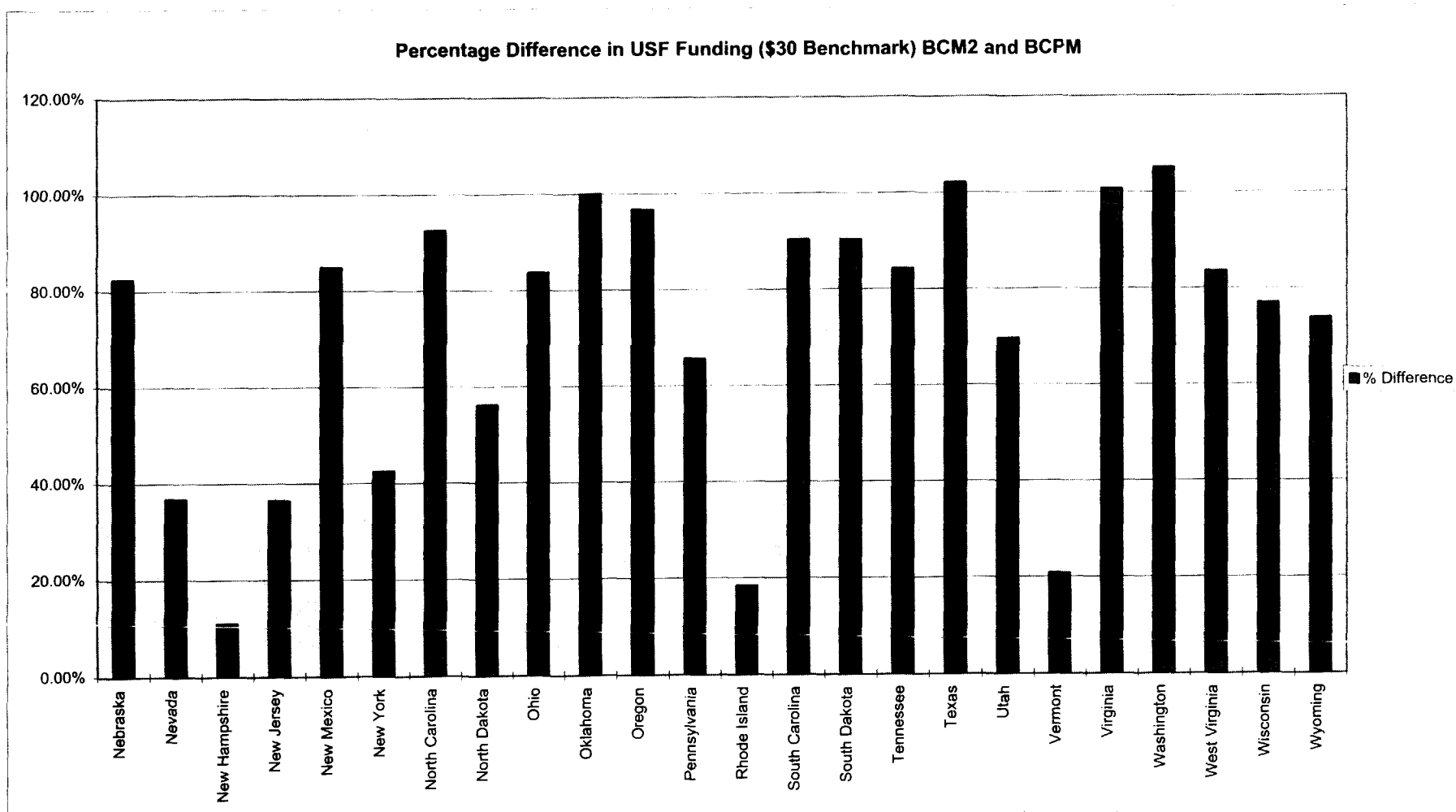
Cost Proxy Models

Percentage Difference between Models USF Funding Levels for different proxy models



Cost Proxy Models

Percentage Difference between Models USF Funding Levels for different proxy models



Cost Proxy Models

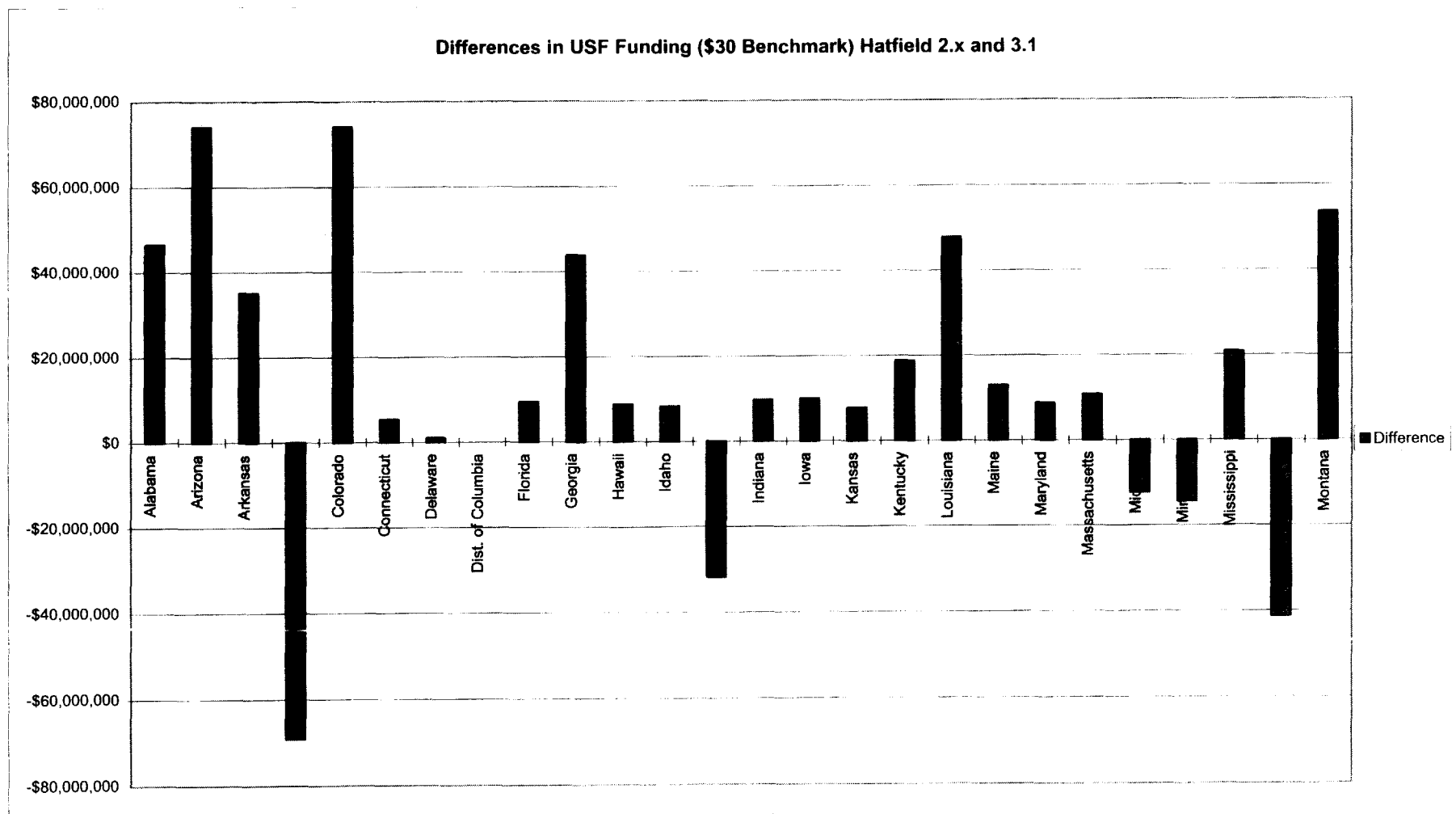
	HM 2.x	HM 3.1	Difference
Source	Weinhaus Paper, Figure 3	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	HM 3.1 less Weinhaus USF Values
Alabama	\$86,829,000	\$133,335,775	\$46,506,775
Arizona	\$86,660,000	\$160,711,995	\$74,051,995
Arkansas	\$72,090,000	\$107,226,031	\$35,136,031
California	\$204,207,000	\$135,009,877	-\$69,197,123
Colorado	\$65,557,000	\$139,718,387	\$74,161,387
Connecticut	\$190,000	\$5,605,155	\$5,415,155
Delaware	\$41,000	\$1,076,070	\$1,035,070
Dist. of Columbia	\$0	\$207	\$207
Florida	\$43,852,000	\$53,341,327	\$9,489,327
Georgia	\$74,185,000	\$117,997,920	\$43,812,920
Hawaii	\$0	\$8,747,741	\$8,747,741
Idaho	\$40,664,000	\$48,952,115	\$8,288,115
Illinois	\$92,973,000	\$61,200,014	-\$31,772,986
Indiana	\$34,605,000	\$44,275,762	\$9,670,762
Iowa	\$69,714,000	\$79,709,670	\$9,995,670
Kansas	\$83,710,000	\$91,457,181	\$7,747,181
Kentucky	\$34,527,000	\$53,277,313	\$18,750,313
Louisiana	\$30,618,000	\$78,354,267	\$47,736,267
Maine	\$17,309,000	\$30,253,737	\$12,944,737
Maryland	\$310,000	\$9,030,485	\$8,720,485
Massachusetts	\$32,000	\$10,790,271	\$10,758,271
Michigan	\$56,298,000	\$44,019,894	-\$12,278,106
Minnesota	\$94,885,000	\$80,474,630	-\$14,410,370
Mississippi	\$68,563,000	\$89,406,634	\$20,843,634
Missouri	\$130,198,000	\$88,883,382	-\$41,314,618
Montana	\$59,789,000	\$113,333,131	\$53,544,131

Comparison of USF Results Hatfield 2.x (TIAP) and Hatfield 3.1 (at \$30 Benchmark)

	HM 2.x	HM 3.1	Difference
Source	Weinhaus Paper, Figure 3	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	HM 3.1 less Weinhaus USF Values
Nebraska	\$80,360,000	\$61,472,931	-\$18,887,069
Nevada	\$45,699,000	\$53,727,652	\$8,028,652
New Hampshire	\$3,198,000	\$7,966,459	\$4,768,459
New Jersey	\$256,000	\$1,456,655	\$1,200,655
New Mexico	\$75,561,000	\$106,228,462	\$30,667,462
New York	\$67,433,000	\$57,875,823	-\$9,557,177
North Carolina	\$28,359,000	\$89,604,061	\$61,245,061
North Dakota	\$45,322,000	\$78,104,262	\$32,782,262
Ohio	\$33,863,000	\$43,584,356	\$9,721,356
Oklahoma	\$120,934,000	\$105,533,116	-\$15,400,884
Oregon	\$60,856,000	\$81,627,110	\$20,771,110
Pennsylvania	\$28,124,000	\$57,262,395	\$29,138,395
Rhode Island	\$0	\$1,375,596	\$1,375,596
South Carolina	\$23,550,000	\$70,777,205	\$47,227,205
South Dakota	\$27,993,000	\$92,928,669	\$64,935,669
Tennessee	\$40,574,000	\$70,591,721	\$30,017,721
Texas	\$275,750,000	\$240,238,180	-\$35,511,820
Utah	\$37,573,000	\$52,875,979	\$15,302,979
Vermont	\$7,988,000	\$13,945,607	\$5,957,607
Virginia	\$41,226,000	\$52,807,908	\$11,581,908
Washington	\$46,673,000	\$55,611,791	\$8,938,791
West Virginia	\$39,200,000	\$65,585,780	\$26,385,780
Wisconsin	\$54,551,000	\$84,445,905	\$29,894,905
Wyoming	\$19,477,000	\$79,574,952	\$60,097,952
Total	\$2,652,326,000	\$3,411,391,546	\$759,065,546

Cost Proxy Models

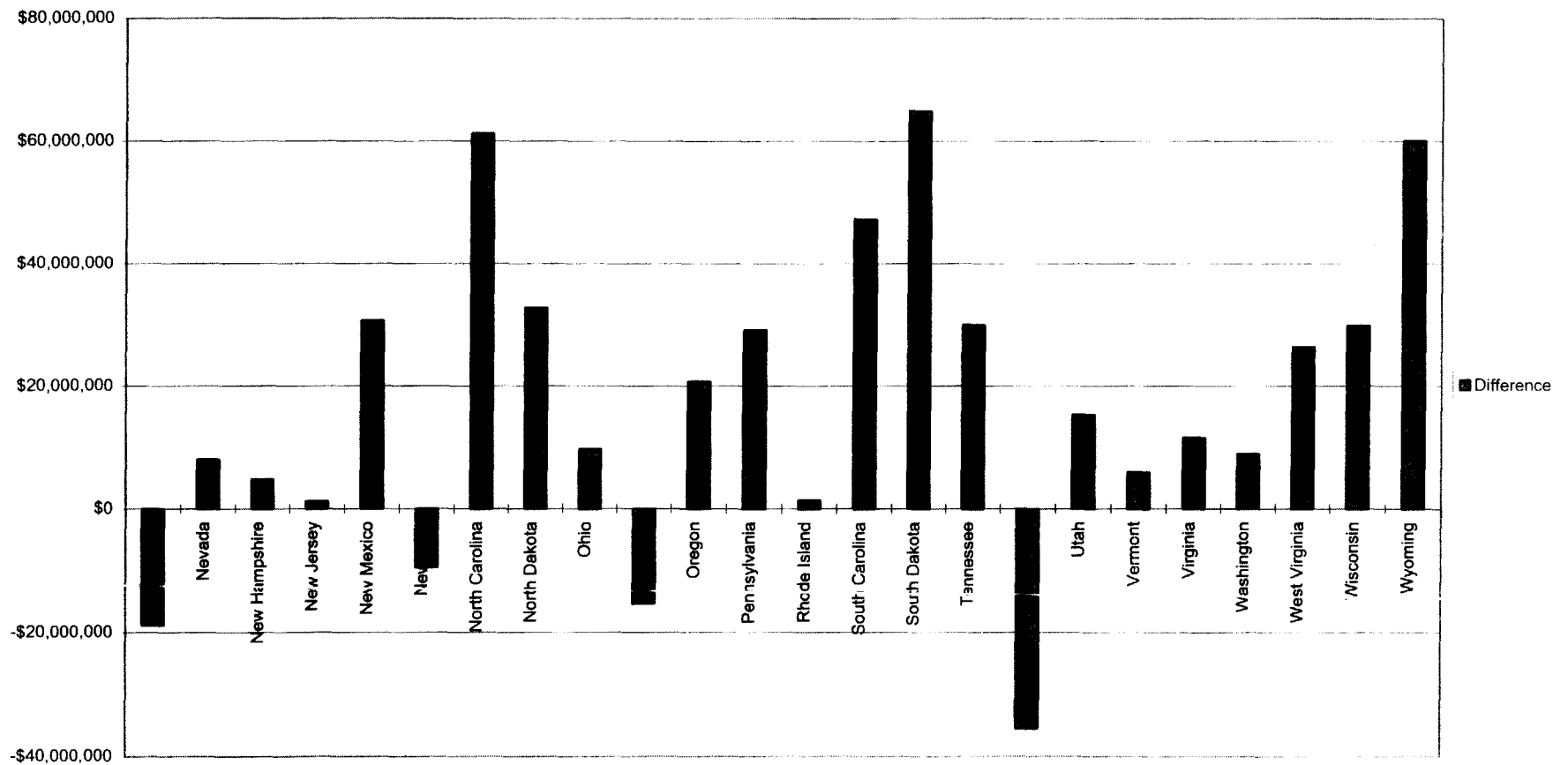
Comparison of USF Results Hatfield 2.x (TIAP) and Hatfield 3.1 (at \$30 Benchmark)



Cost Proxy Models

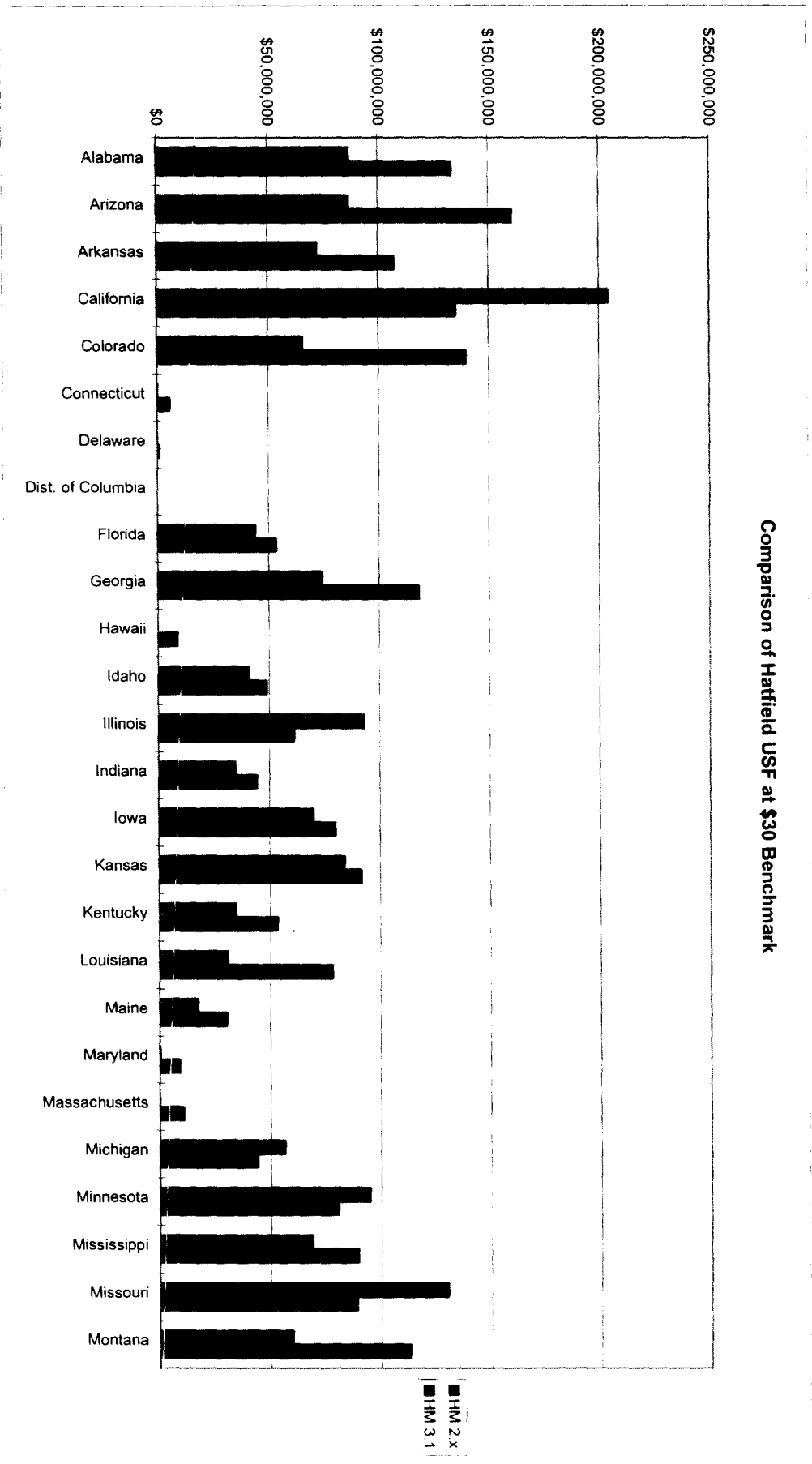
Comparison of USF Results Hatfield 2.x (TIAP) and Hatfield 3.1 (at \$30 Benchmark)

Differences in USF Funding (\$30 Benchmark) Hatfield 2.x and 3.1



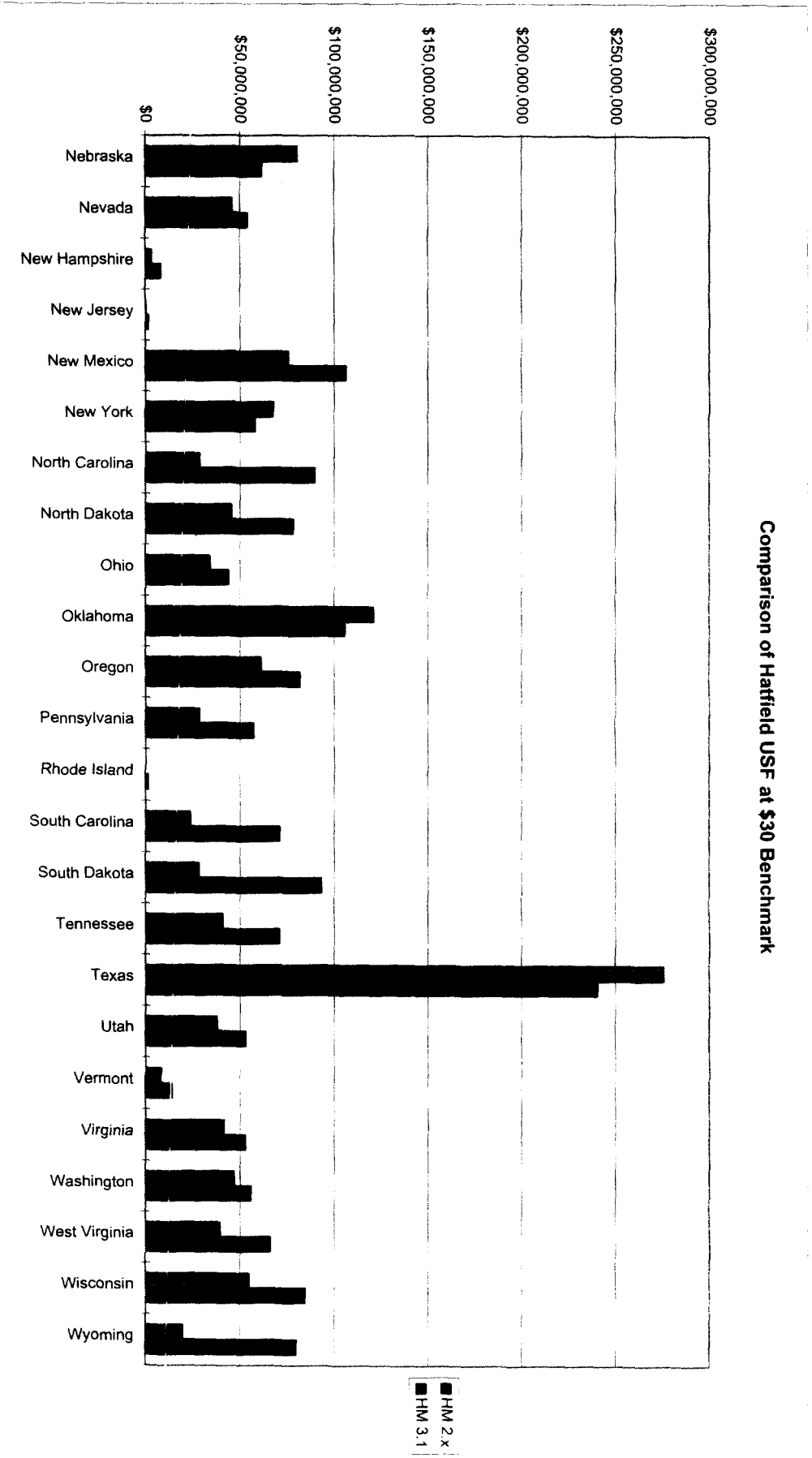
Cost Proxy Models

Comparison of USF Results Hatfield 2.x (TIAP) and Hatfield 3.1 (at \$30 Benchmark)



Cost Proxy Models

Comparison of USF Results Hatfield 2.x (TIAP) and Hatfield 3.1 (at \$30 Benchmark)



Cost Proxy Models

	HM 2.x	HM 3.1	% Difference
Source	TIAP Paper, Figure 3	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	$(HM\ 3.1 - HM\ 2.x) / HM\ 2.x$
Alabama	\$86,829,000	\$133,335,775	53.56%
Arizona	\$86,660,000	\$160,711,995	85.45%
Arkansas	\$72,090,000	\$107,226,031	48.74%
California	\$204,207,000	\$135,009,877	-33.89%
Colorado	\$65,557,000	\$139,718,387	113.13%
Connecticut *	\$190,000	\$5,605,155	2850.08%
Delaware *	\$41,000	\$1,076,070	2524.56%
Dist. of Columbia	\$0	\$207	0.00%
Florida	\$43,852,000	\$53,341,327	21.64%
Georgia	\$74,185,000	\$117,997,920	59.06%
Hawaii	\$0	\$8,747,741	0.00%
Idaho	\$40,664,000	\$48,952,115	20.38%
Illinois	\$92,973,000	\$61,200,014	-34.17%
Indiana	\$34,605,000	\$44,275,762	27.95%
Iowa	\$69,714,000	\$79,709,670	14.34%
Kansas	\$83,710,000	\$91,457,181	9.25%
Kentucky	\$34,527,000	\$53,277,313	54.31%
Louisiana	\$30,618,000	\$78,354,267	155.91%
Maine	\$17,309,000	\$30,253,737	74.79%
Maryland *	\$310,000	\$9,030,465	2813.06%
Massachusetts *	\$32,000	\$10,790,271	33619.60%
Michigan	\$56,298,000	\$44,019,894	-21.81%
Minnesota	\$94,885,000	\$80,474,630	-15.19%
Mississippi	\$68,563,000	\$89,406,634	30.40%
Missouri	\$130,198,000	\$88,883,382	-31.73%
Montana	\$59,789,000	\$113,333,131	89.56%

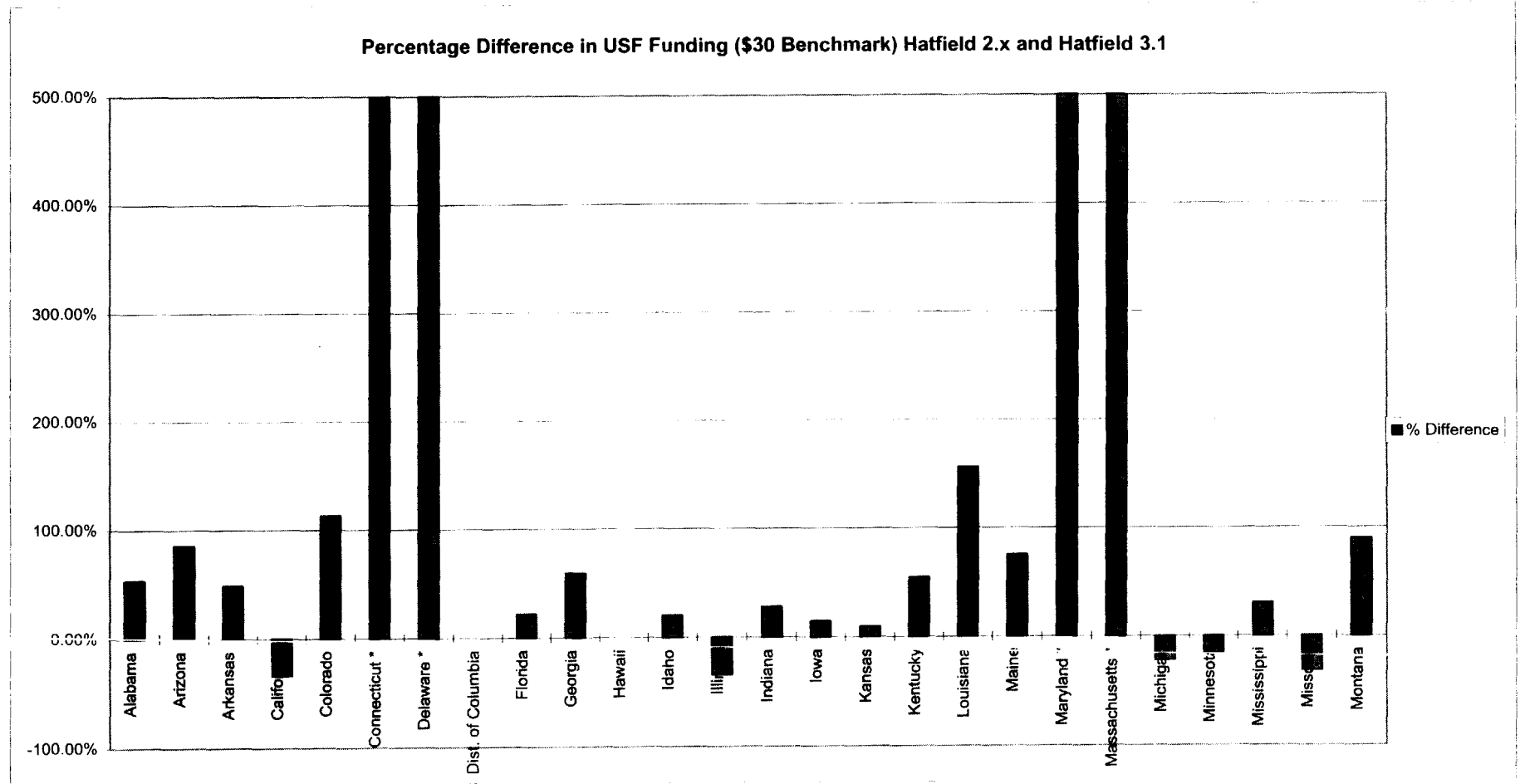
Percentage Difference between Models

USF Funding Levels for different proxy models

	HM 2.x	HM 3.1	% Difference
Source	TIAP Paper, Figure 3	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	$(HM\ 3.1 - HM\ 2.x) / HM\ 2.x$
Nebraska	\$80,360,000	\$61,472,931	-23.50%
Nevada	\$45,699,000	\$53,727,652	17.57%
New Hampshire	\$3,198,000	\$7,966,459	149.11%
New Jersey	\$256,000	\$1,456,655	469.01%
New Mexico	\$75,561,000	\$106,228,462	40.59%
New York	\$67,433,000	\$57,875,823	-14.17%
North Carolina	\$28,359,000	\$89,604,061	215.96%
North Dakota	\$45,322,000	\$78,104,262	72.33%
Ohio	\$33,863,000	\$43,584,356	28.71%
Oklahoma	\$120,934,000	\$105,533,116	-12.73%
Oregon	\$60,856,000	\$81,627,110	34.13%
Pennsylvania	\$28,124,000	\$57,262,395	103.61%
Rhode Island	\$0	\$1,375,596	0.00%
South Carolina	\$23,550,000	\$70,777,205	200.54%
South Dakota	\$27,993,000	\$92,928,669	231.97%
Tennessee	\$40,574,000	\$70,591,721	73.98%
Texas	\$275,750,000	\$240,238,180	-12.88%
Utah	\$37,573,000	\$52,875,979	40.73%
Vermont	\$7,988,000	\$13,945,607	74.58%
Virginia	\$41,226,000	\$52,807,908	28.09%
Washington	\$46,673,000	\$55,611,791	19.15%
West Virginia	\$39,200,000	\$65,585,780	67.31%
Wisconsin	\$54,551,000	\$84,445,905	54.80%
Wyoming	\$19,477,000	\$79,574,952	308.56%
Total	\$2,652,326,000	\$3,411,391,546	28.62%

Cost Proxy Models

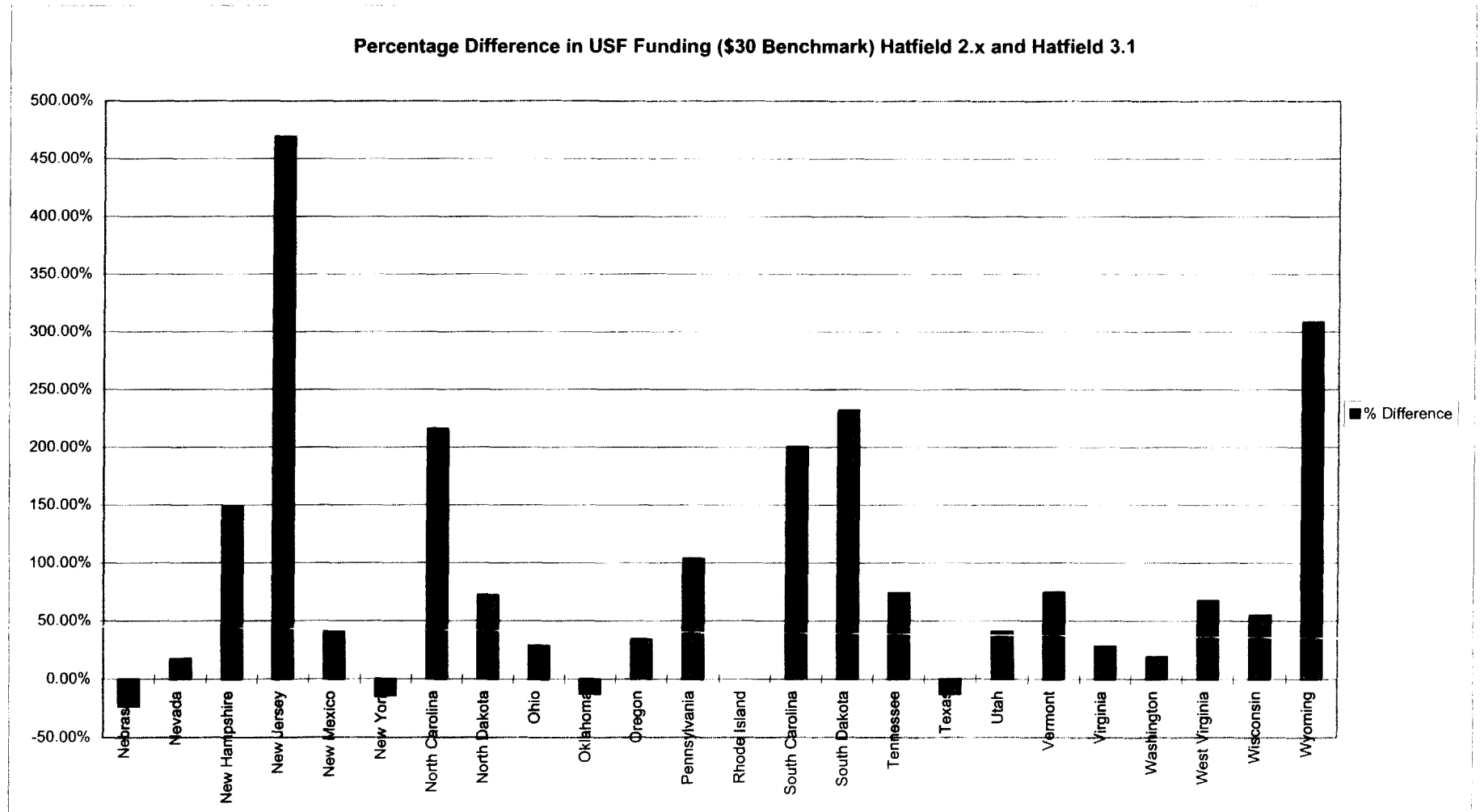
Percentage Difference between Models USF Funding Levels for different proxy models



*Note: % Differences for Connecticut, Delaware, Maryland & Massachusetts exceed 1000%.

Cost Proxy Models

Percentage Difference between Models USF Funding Levels for different proxy models



Cost Proxy Models

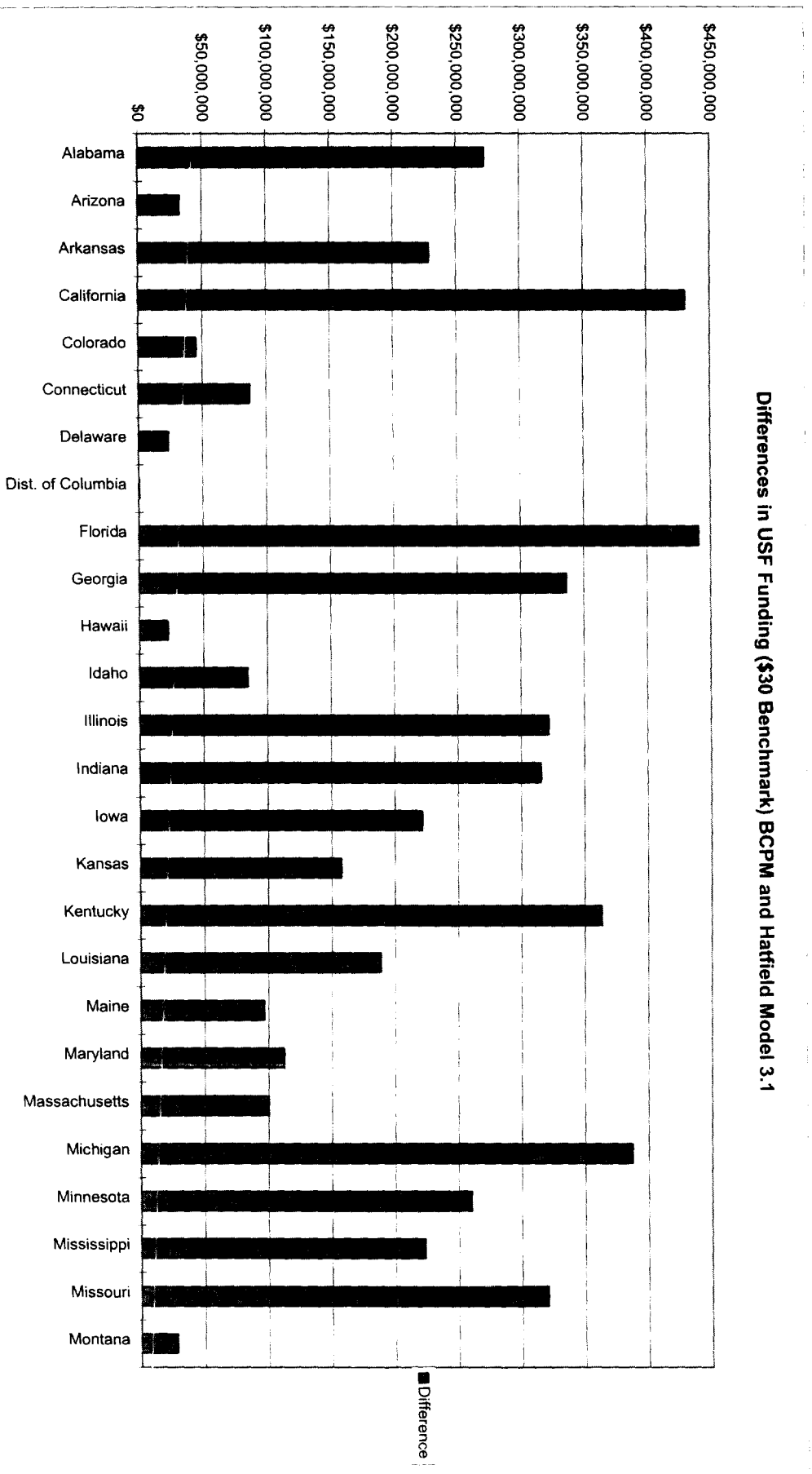
	BCPM	HM 3.1	Difference
Source	NYNEX run of BCPM using 2/20/97 CD; SBL at 0	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	BCPM less HM 3.1 values
Alabama	\$405,703,827	\$133,335,775	\$272,368,052
Arizona	\$193,237,687	\$160,711,995	\$32,525,692
Arkansas	\$335,768,218	\$107,226,031	\$228,542,187
California	\$565,399,663	\$135,009,877	\$430,389,786
Colorado	\$184,815,919	\$139,718,387	\$45,097,532
Connecticut	\$92,697,819	\$5,605,155	\$87,092,664
Delaware	\$23,994,271	\$1,076,070	\$22,918,201
Dist. of Columbia	\$343,739	\$207	\$343,532
Florida	\$493,764,925	\$53,341,327	\$440,423,598
Georgia	\$453,983,494	\$117,997,920	\$335,985,574
Hawaii	\$30,778,263	\$8,747,741	\$22,030,522
Idaho	\$133,287,298	\$48,952,115	\$84,335,183
Illinois	\$382,869,488	\$61,200,014	\$321,669,474
Indiana	\$359,694,326	\$44,275,762	\$315,418,564
Iowa	\$301,155,874	\$79,709,670	\$221,446,204
Kansas	\$249,001,536	\$91,457,181	\$157,544,355
Kentucky	\$416,353,535	\$53,277,313	\$363,076,222
Louisiana	\$266,704,073	\$78,354,267	\$188,349,806
Maine	\$126,457,200	\$30,253,737	\$96,203,463
Maryland	\$121,276,866	\$9,030,485	\$112,246,381
Massachusetts	\$110,560,228	\$10,790,271	\$99,769,957
Michigan	\$430,827,147	\$44,019,894	\$386,807,253
Minnesota	\$340,206,700	\$80,474,630	\$259,732,070
Mississippi	\$312,433,284	\$89,406,634	\$223,026,650
Missouri	\$409,200,424	\$88,883,382	\$320,317,042
Montana	\$141,235,148	\$113,333,131	\$27,902,017

Comparison of USF Results BCPM and Hatfield 3.1 at \$30 Benchmark

	BCPM	HM 3.1	Difference
Source	NYNEX run of BCPM using 2/20/97 CD; SBL at 0	NYNEX run of HM 3.1 using distribution CD c. 2/28/97	BCPM less HM 3.1 values
Nebraska	\$181,299,748	\$61,472,931	\$119,826,817
Nevada	\$65,069,916	\$53,727,652	\$11,342,264
New Hampshire	\$72,633,905	\$7,966,459	\$64,667,446
New Jersey	\$83,045,454	\$1,456,655	\$81,588,799
New Mexico	\$164,245,893	\$106,228,462	\$58,017,431
New York	\$437,929,362	\$57,875,823	\$380,053,539
North Carolina	\$544,853,661	\$89,604,061	\$455,249,600
North Dakota	\$110,572,689	\$78,104,262	\$32,468,427
Ohio	\$500,055,984	\$43,584,356	\$456,471,628
Oklahoma	\$318,106,545	\$105,533,116	\$212,573,429
Oregon	\$235,343,867	\$81,627,110	\$153,716,757
Pennsylvania	\$500,159,861	\$57,262,395	\$442,897,466
Rhode Island	\$18,584,881	\$1,375,596	\$17,209,285
South Carolina	\$291,175,316	\$70,777,205	\$220,398,111
South Dakota	\$132,408,445	\$92,928,669	\$39,479,776
Tennessee	\$394,508,713	\$70,591,721	\$323,916,992
Texas	\$938,023,351	\$240,238,180	\$697,785,171
Utah	\$80,873,500	\$52,875,979	\$27,997,521
Vermont	\$62,750,941	\$13,945,607	\$48,805,334
Virginia	\$377,438,310	\$52,807,908	\$324,630,402
Washington	\$268,977,326	\$55,611,791	\$213,365,535
West Virginia	\$267,775,705	\$65,585,780	\$202,189,925
Wisconsin	\$331,662,804	\$84,445,905	\$247,216,899
Wyoming	\$61,747,898	\$79,574,952	-\$17,827,054
Total	\$13,320,995,027	\$3,411,391,546	-\$9,909,603,481

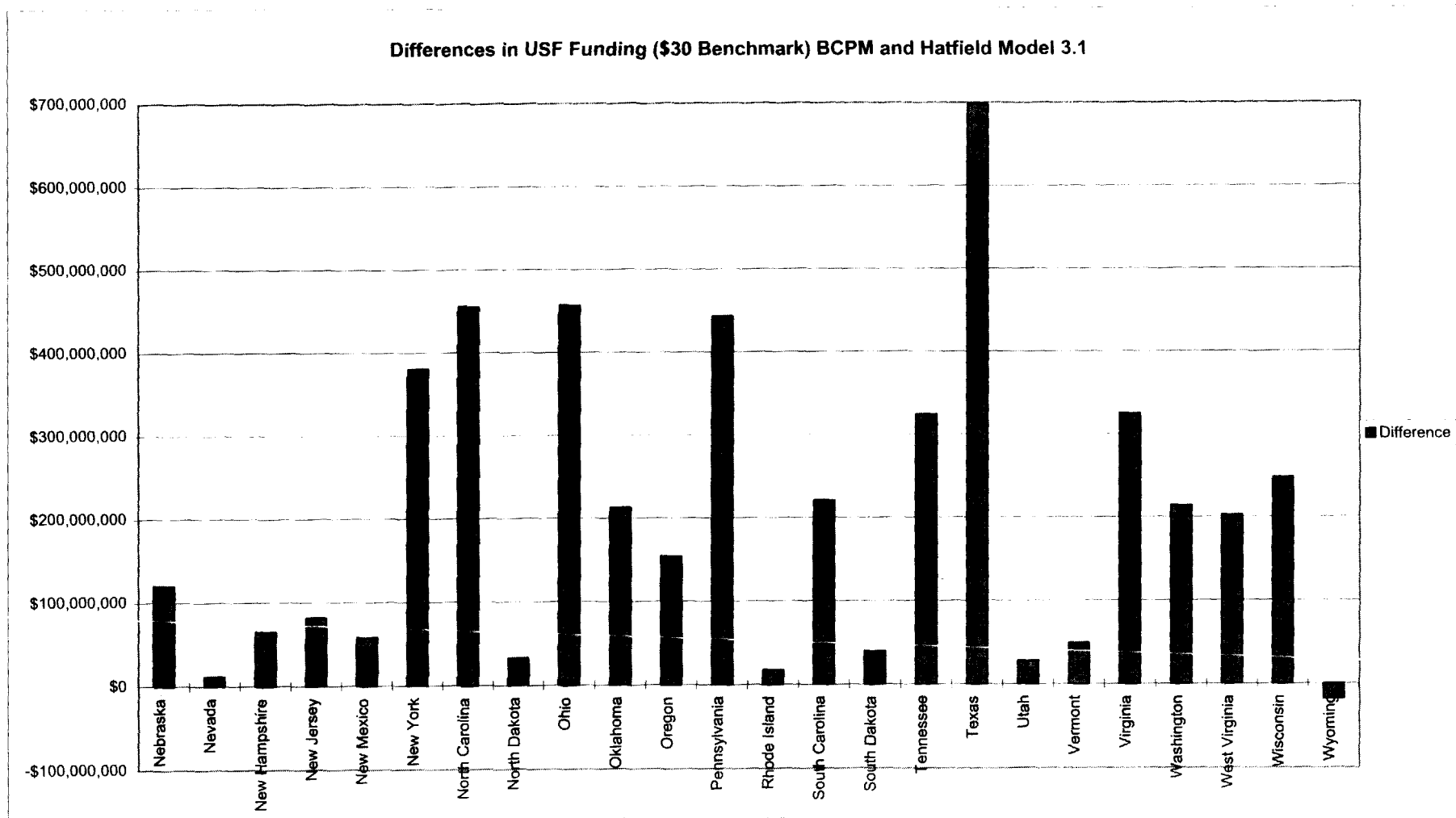
Cost Proxy Models

Comparison of USF Results BCPM and Hatfield 3.1 at \$30 Benchmark



Cost Proxy Models

Comparison of USF Results BCPM and Hatfield 3.1 at \$30 Benchmark



Cost Proxy Models

Comparison of USF Results BCPM and Hatfield 3.1 at \$30 Benchmark

